
FINANCIAL SERVICES REPUBLICAN MORNING CLIPS 3.12.2010

Wall Street Journal: "Examiner: Lehman Torpedoed Lehman ... A scathing report by a U.S. bankruptcy-court examiner investigating the collapse of Lehman Brothers Holdings Inc. blames senior executives and auditor Ernst & Young for serious lapses that led to the largest bankruptcy in U.S. history and the worst financial crisis since the Great Depression."

Wall Street Journal: "Obama Plans to Tap Yellen for Fed Vice Chairman ... President Barack Obama plans to nominate Janet Yellen as vice chairman of the Federal Reserve Board, a person familiar with the matter said."

Wall Street Journal: "Economists Credit Fed For Alleviating Crisis ... The \$787 billion stimulus package was a good for the economy, but the Federal Reserve played the biggest role in rescuing the U.S. economy from the financial crisis, according to the majority of economists in the latest Wall Street Journal forecasting survey."

Wall Street Journal: "Fed Vacancies and the Monetary Challenge ... And then there were four. Well, not quite. Federal Reserve Vice Chairman Donald Kohn's recent announcement that he will retire in June will bring the Federal Reserve Board down to four members-unless the Obama administration gets some new members in place by then. Recent history is not propitious."

Wall Street Journal: "AIG Workers to Give Up \$45 Million to Uncle Sam ... American International Group Inc. will recoup \$45 million in controversial 2009 retention payments made to AIG employees, in part by reducing retention awards slated for employees who have already left the firm, according to people familiar with the matter."

Wall Street Journal: "Gamble on Financial Overhaul ... The White House's yearlong effort to rewrite financial regulations risked running aground in the Senate after Democratic Sen. Christopher Dodd broke off bipartisan negotiations and announced plans to push ahead without Republican support."

Wall Street Journal: "Fannie Mae Sells \$6 Billion Benchmark Note ... Fannie Mae sold \$6 billion of three-year notes in a benchmark issue, following a similar large-sized offering from Freddie Mac last week."

Wall Street Journal: "Fed's Dudley: Governments Need Fiscal Stimulus Exit Plan ... Calling government budget deficits unsustainable, a top Federal Reserve official on Thursday called on national leaders to start laying out plans that would allow a move back to more manageable spending levels."

Wall Street Journal: "Companies' Net Worth Falls Again ... The Federal Reserve's latest flow of funds report offers a clue for those trying to understand why banks often don't want to lend to businesses: By some measures, businesses' finances are still deteriorating."

Wall Street Journal: "Sen. Corker Offers Details of Deal That Almost Was... ... Sen. Bob Corker (R., Tenn.) on Thursday talked openly of the bipartisan compromise he nearly reached with Senate Banking Committee Chairman Christopher Dodd (D., Conn.) over new financial regulations."

Wall Street Journal: "A Financial Reform Reprieve ... Senate Banking Chairman Chris Dodd announced yesterday that bipartisan talks on financial reform have broken down, and he'll now introduce a Democratic bill on Monday. That strikes us as good news because it probably reduces the chances that a rushed and ill-thought reform will pass this year."

Washington Post: "New round of foreclosures threatens housing market ... The housing market is facing swelling ranks of homeowners who are seriously delinquent but have yet to lose their homes, and this is threatening a new wave of foreclosures that could hit just as the real estate market has begun to stabilize."

Washington Post: "Financial system reforms won't wait ... Senate banking committee Chairman Christopher J. Dodd (D-Conn.) said Thursday he will move forward next week with sweeping legislation to revamp the nation's financial regulatory system, despite failing to resolve key differences with Republicans."

Washington Post: "AIG, federal czar reach deal on rest of bonus pay to be returned ... American International Group has reached an agreement with the Obama administration's compensation czar to pay back the remaining money employees agreed to return last year after an uproar over bonuses at the insurance giant, according to sources with knowledge of the matter."

Washington Post: "FHA challenged on projected risk to taxpayers ... The Federal Housing Administration will need taxpayer money because it failed to properly project how borrowers with FHA-backed loans are affected by job losses and diminished equity in their homes, New York University professor Andrew Caplin told a House panel Thursday."

NY Times: "Democrats Push Ahead on Finance Bill ... Democrats said on Thursday that they would go it alone in an effort to pass an overhaul of financial regulation, increasing the likelihood of a bitter partisan showdown."

LA Times: "Plan to push financial reform bill forward could be giant step back ... Congressional attempts to pass the most sweeping overhaul of financial regulations since the Great Depression suffered a potentially devastating blow Thursday as the lead senator working on the legislation vowed to move forward next week without Republican support."

LA Times: "Average 30-year mortgage rate drops to 4.95%, Freddie Mac says ... The average interest rate on a 30-year fixed-rate mortgage dropped to 4.95% this week from 4.97% last week, Freddie Mac said Thursday."

LA Times: "Watchdog: GMAC bailout could cost taxpayers \$6.3 billion ... The Treasury Department sank billions into auto finance giant GMAC Inc. without an exit strategy or proof the company was viable -- a decision that could cost taxpayers \$6.3 billion, a new watchdog report says."

USA Today: "Sen. Dodd will take financial regulation bill to committee ... Unable to muster bipartisan agreement on key banking provisions, Senate Banking Committee Chairman Christopher Dodd said Thursday that he will offer his own version of a sweeping overhaul of financial regulations without Republican support."

Washington Times: "Dodd to offer own version of bank regulation bill ... Unable to muster bipartisan agreement on key banking provisions, Sen. Christopher J. Dodd, chairman of the Senate banking committee, said Thursday he will offer his own version of a sweeping overhaul of financial regulations without Republican support. "Clearly, we need to move along," he said."

Newsweek: "Why Wall Street hates Elizabeth Warren ... When Elizabeth Warren first met Barack Obama, a strange kind of seduction took place."

Politico: "Chris Dodd tries to beat the clock with bank reform ... The specter of health care has invaded Senate efforts to pass financial reform legislation, threatening to poison another Obama administration priority."

The Hill: "Finance reform deadline set ... Senate Banking Committee Chairman Chris Dodd (D-Conn.) said he will continue talks with Republican senators, but he will press forward without firm GOP support and unveil overhaul legislation on Monday."

The Hill: "Senators' plan would put derivatives under the Federal Reserve ... Senators are considering giving the Federal Reserve power to regulate clearinghouses for derivatives in a wide-ranging financial overhaul bill."